

CLAIMS

What is claimed is:

1. A method of improving the efficiency of margining exchange-traded futures and options on futures contracts, the method comprising the steps of:

(a) purchasing, by a futures commission merchant (FCM) on behalf on a customer, shares of at least one fund; and

(b) transferring, by said FCM on behalf on said customer, at least a portion of said shares to an associated clearing organization, to satisfy a margin requirement of a futures or options contract entered into by said customer and traded through said associated clearing organization.

2. The method of claim 1, wherein title in said shares purchased by said FCM are owned by said FCM.

3. The method of claim 1, wherein the value of said at least a portion of said shares substantially equals the value of said margin requirement.

4. The method of claim 1, further comprising the step of:

(c) transferring, by said FCM on behalf on said customer, at least one of cash and securities to said associated clearing organization, to satisfy said margin requirement together with said at least a portion of said shares,

wherein the value of said at least a portion of said shares and the value of said at least one of cash and securities substantially equals the value of said margin requirement.

5. The method of claim 1, wherein said shares are redeemable for cash the same day a redemption request is made.

6. The method of claim 1, wherein said shares are redeemable for cash the same day a redemption request is made, until a predetermined time of said day.

7. The method of claim 1, wherein said margin requirement is an original margin requirement.

8. The method of claim 1, wherein said margin requirement is a variation margin requirement.

9. The method of claim 1, wherein step (a) further comprises the step of:

(a1) holding the purchased shares into a non-pledged account, wherein said non-pledged account is owned by said FCM.

10. The method of claim 7, wherein step (b) further comprises the step of:

(b1) holding the transferred shares into a pledged account, wherein said pledged account is owned by said clearing organization on behalf of said FCM, and wherein title in said shares remains with said FCM.

11. The method of claim 8, further comprising the step of:

(c) transferring, by said associated clearing organization, said at least a portion of said shares to satisfy said variation margin requirement.

12. The method of claim 11, wherein said transferring in step (c) transfers said shares to a second FCM on behalf of a second customer, wherein said second customer is a party to said futures or options contract, and wherein title in said shares transfers to said second FCM.

13. The method of claim 11, wherein said transferring in step (c) transfers said shares to said FCM on behalf of a second customer, wherein said second customer is a party to said futures or options contract.

14. The method of claim 7, further comprising the step of:
(c) transferring, by said FCM, additional said shares to satisfy a second margin requirement.

15. The method of claim 14, wherein said second margin requirement is a variation margin requirement.

16. The method of claim 14, wherein said second margin requirement is an original margin requirement of a second futures or options contract entered into by said customer.

17. The method of claim 1, wherein said customer is said FCM.

18. The method of claim 1, wherein at least one of said at least one fund is a spoke of a money market portfolio hub.

19. The method of claim 1, wherein each of said at least one fund is a spoke of a different money market portfolio hub.

20. The method of claim 18, wherein said money market portfolio hub complies with 17 C.F.R. §270.2a-7.

21. The method of claim 1, wherein at least one of said at least one fund is a common settlement money market fund.

22. The method of claim 21, wherein said money market fund complies with 17 C.F.R. §270.2a-7.

23. The method of claim 22, wherein said money market fund further complies with 17 C.F.R. §1.25 as a permitted investment for said customer.

24. The method of claim 9, further comprising the step of:

(a1) earning, by said FCM, equity on each of said shares held by said FCM.

25. The method of claim 9, further comprising the step of:

(a1) earning, by said FCM, equity on each of said shares held by said FCM less interest determined from a current reference yield.

26. The method of claim 25, wherein said current reference yield is a current yield of a predetermined government treasury bill.

27. The method of claim 10, further comprising the step of:

(b2) earning, by said clearing organization, equity on each said at least a portion of said shares held by said clearing organization.

28. The method of claim 1, wherein steps (a) and (b) may be performed over one of the Internet and direct link using at least one computerized system.

29. At least one fund for improving the efficiency of margining exchange-traded futures and options on futures contracts, the fund comprising:

shares in said at least one fund; and

fund guidelines of said at least one fund, said guidelines including a requirement that said shares are to be purchased by at least one futures commission merchant (FCM) on behalf on a customer;

wherein at least a portion of said shares are transferred, by said FCM on behalf on said customer, to an associated clearing organization, to satisfy a margin requirement of a futures or options contract entered into by said customer and traded through said associated clearing organization.

30. The fund of claim 29, wherein titles in said shares purchased by said FCM are owned by said FCM.

31. The fund of claim 29, wherein the value of said at least a portion of said shares substantially equals the value of said margin requirement.

32. The fund of claim 29, wherein at least one of cash and securities are transferred, by said FCM on behalf on said customer, to said associated clearing organization, to satisfy said margin requirement together with said at least a portion of said shares, and

wherein the value of said at least a portion of said shares and the value of said at least one of cash and securities substantially equals the value of said margin requirement.

33. The fund of claim 29, wherein said shares are redeemable for cash the same day a redemption request is made.

34. The fund of claim 29, wherein said shares are redeemable for cash the same day a redemption request is made, until a predetermined time of said day.

35. The fund of claim 29, wherein said margin requirement is an original margin requirement.

36. The fund of claim 29, wherein said margin requirement is a variation margin requirement.

37. The fund of claim 29, wherein the shares purchased by said FCM are held in a non-pledged account, wherein said non-pledged account is owned by said FCM.

38. The fund of claim 35, wherein the shares transferred to said clearing organization are held in a pledged account, wherein said pledged account is owned by said clearing organization on behalf of said FCM, and wherein title in said shares remains with said FCM.

39. The fund of claim 36, wherein said at least a portion of said shares are transferred from said associated clearing organization to satisfy said variation margin requirement.

40. The fund of claim 39, wherein the shares transferred from said associated clearing organization are delivered to a second FCM on behalf of a second customer, wherein said second customer is a party to said futures or options contract, and wherein title in said shares transfers to said second FCM.

41. The fund of claim 39, wherein the shares transferred from said associated clearing organization are delivered to said FCM on behalf of a second customer, wherein said second customer is a party to said futures or options contract.

42. The fund of claim 35, wherein additional said shares are transferred by said FCM to satisfy a second margin requirement.

43. The fund of claim 42, wherein said second margin requirement is a variation margin requirement.

44. The fund of claim 42, wherein said second margin requirement is an original margin requirement of a second futures or options contract entered into by said customer.

45. The fund of claim 29, wherein said customer is said FCM.

46. The fund of claim 29, wherein at least one of said at least one fund is a spoke of a money market portfolio hub.

47. The fund of claim 29, wherein each of said at least one fund is a spoke of a different money market portfolio hub.

48. The fund of claim 46, wherein said money market portfolio hub complies with 17 C.F.R. §270.2a-7.

49. The fund of claim 29, wherein at least one of said at least one fund is a common settlement money market fund.

50. The fund of claim 49, wherein said money market fund complies with 17 C.F.R. §270.2a-7.

51. The fund of claim 50, wherein said money market fund further complies with 17 C.F.R. §1.25 as a permitted investment for said customer.

52. The fund of claim 37, wherein said FCM earns equity on each of said shares held by said FCM.

53. The fund of claim 37, wherein said FCM earns equity on each of said shares, held by said FCM, less interest determined from a current reference yield.

54. The fund of claim 53, wherein said current reference yield is a current yield of a predetermined government treasury bill.

55. The fund of claim 38, wherein said clearing organization earns equity on each of said at least a portion of said shares held by said clearing organization.

56. The fund of claim 29, wherein said shares are purchased and transferred over one of the Internet and direct link using at least one computerized system.

57. A common settlement fund for use in settling margins in connection with exchange-traded futures contracts or exchange-traded options on futures contracts, comprising:

shares of said fund, said shares are owned by a future commission merchants (FCM) on behalf of its customers,

wherein margin related transactions of futures contracts or options on futures contracts are settled by transferring shares from said FCM to a clearing organization.

58. A method of utilizing a common settlement fund to settle margins in connection with exchange-traded futures contracts or exchange-traded options on futures contracts, wherein said fund includes shares that are owned by a futures commission merchants (FCM) on behalf of its customers, said method comprising the step of:

transferring shares from said FCM to a clearing organization to settle margin related transactions of futures contracts or options on futures contracts.